

Fiscal Estimate - 2009 Session

☒ Original ☐ Updated ☐ Corrected ☐ Supplemental

LRB Number 09-0066/1		Introduction Number AB-0228	
Description Awarding state procurements to certified disabled veteran-owned businesses, providing an exemption from emergency rule procedures, and requiring the exercise of rule-making authority			
Fiscal Effect			
State:			
<input checked="" type="checkbox"/> No State Fiscal Effect			
<input type="checkbox"/> Indeterminate			
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Increase Existing Revenues	
<input type="checkbox"/> Decrease Existing Appropriations		<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriations		<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget	
		<input type="checkbox"/> Yes <input type="checkbox"/> No	
		<input type="checkbox"/> Decrease Costs	
Local:			
<input checked="" type="checkbox"/> No Local Government Costs			
<input type="checkbox"/> Indeterminate			
1. <input type="checkbox"/> Increase Costs		3. <input type="checkbox"/> Increase Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs		4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
5. Types of Local Government Units Affected			
<input type="checkbox"/> Towns		<input type="checkbox"/> Village	
<input type="checkbox"/> Counties		<input type="checkbox"/> Others	
<input type="checkbox"/> School Districts		<input type="checkbox"/> WTCS Districts	
Fund Sources Affected		Affected Ch. 20 Appropriations	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS			
Agency/Prepared By		Authorized Signature	
COMM/ Julie Keal (608) 266-6748		Louie Cornelius (608) 266-8629	
		Date	
		5/6/2009	

Fiscal Estimate Narratives

COMM 5/6/2009

LRB Number	09-0066/1	Introduction Number	AB-0228	Estimate Type	Original
Description					
Awarding state procurements to certified disabled veteran-owned businesses, providing an exemption from emergency rule procedures, and requiring the exercise of rule-making authority					

Assumptions Used in Arriving at Fiscal Estimate

Under this bill, Commerce will certify disabled veteran-owned businesses. It will receive the following information from the Department of Veterans Affairs:

1. Whether the person is a veteran.
2. Whether the person is a resident of Wisconsin.
3. Whether the person has a service-connected disability of at least 30%.

Commerce will then certify the business if the following requirements are met:

1. The business has at least 51% ownership by a disabled veteran.
2. The business is actively managed by the disabled veteran or the duly authorized representative of the veteran.
3. The principal place of business is in Wisconsin.
4. The business performs a useful business function.

Commerce may charge a fee to cover the costs of providing these services. Commerce estimates that it will be able to conduct these certifications without an increase in spending authority.

Long-Range Fiscal Implications

Fiscal Estimate - 2009 Session

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Fiscal Effect State: <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations </div> <div style="width: 30%;"> <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues </div> <div style="width: 30%;"> <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs </div> </div> Local: <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory </div> <div style="width: 30%;"> 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory </div> <div style="width: 30%;"> 5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts </div> </div>	
<div style="display: flex; justify-content: space-between;"> <div> Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS multiple </div> <div> Affected Ch. 20 Appropriations </div> </div>	
Agency/Prepared By DOA/ Dawn Soletski (608) 266-6497	Authorized Signature Martha Kerner (608) 266-1359
Date 5/5/2009	

Fiscal Estimate Narratives

DOA 5/5/2009

LRB Number	09-0066/1	Introduction Number	AB-0228	Estimate Type	Original
Description Awarding state procurements to certified disabled veteran-owned businesses, providing an exemption from emergency rule procedures, and requiring the exercise of rule-making authority					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, state agencies may accept a bid or proposal from a minority-owned business that is no more than 5% higher than the apparent low bid or most advantageous proposal. This bill would create identical price preferences for disabled veteran-owned businesses. The bill directs the Department of Administration (DOA) to prepare an annual report to the Legislature identifying the amount of business awarded to qualifying disabled veteran-owned business. After a period of 4 years, the bill requires DOA to recommend to the Legislature procurement goals for disabled veteran-owned business. This bill requires the Department of Commerce to maintain a database of disabled veteran-owned businesses that qualify for these preferences.

The bill also extends to disabled veteran-owned businesses certain reporting and contracting requirements for metropolitan sewerage districts, local exposition districts, local professional baseball park districts, local professional football stadium districts, and local cultural arts districts.

Analysis

The Department of Veterans Affairs reports that 416 businesses are certified as veteran-owned. It is unknown how many of these would qualify as disabled veteran-owned businesses under this bill. Given that it is impossible to foresee the applicability of the preference on future purchases, the actual cost of expanding the preference is indeterminate.

Agencies currently provide DOA with information concerning minority-owned business procurements which are used to prepare an annual report to the Legislature. The addition of statistics regarding disabled veteran-owned business will entail minimal cost increases to state agencies. Any increases can be absorbed within current budgets.

There is insufficient information to estimate the financial impact on local districts.

Long-Range Fiscal Implications

Unknown.

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Fiscal Estimate Narratives

DOT 6/3/2009

LRB Number	09-0066/1	Introduction Number	AB-0228	Estimate Type	Original
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Assumptions Used in Arriving at Fiscal Estimate

This bill gives disabled veteran owned businesses a 5% preference on procurement bids which is similar to the current MBE program. This bill would also make disabled veteran owned businesses eligible for DBE grants.

Currently, purchasing staff in the agency include standard boilerplate language in the bidding process explaining the preference requirements for MBE businesses. This would require drafting new language to include disabled veteran owned businesses as well. The DBE program is a federal program, and the agency does not have the discretion to add additional businesses to that grant program. Another problem foreseen in this bill is that it is in competition with the Minority Business Enterprise requirements and goals. The LRB analysis does not state which preference takes precedent over the other. Furthermore, this bill creates an additional reporting requirement for agencies, similar to the Minority Business Enterprise reporting.

This bill would require some additional workload for purchasing staff. The majority of workload issues would be handled by DOA.

This bill may violate federal contracting law, as it applies to federally-funded highway projects. 23 USC 112 and 23 CFR 635.117 generally require competitive bidding for those contracts, subject to limited preference exceptions that do not include veterans.

Long-Range Fiscal Implications

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Local: <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input checked="" type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate <div style="margin-left: 20px;"> 1. <input type="checkbox"/> Increase Costs <div style="margin-left: 20px;"> <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory </div> 2. <input type="checkbox"/> Decrease Costs <div style="margin-left: 20px;"> <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory </div> </div> </div> <div style="width: 33%;"> 3. <input type="checkbox"/> Increase Revenue <div style="margin-left: 20px;"> <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory </div> 4. <input type="checkbox"/> Decrease Revenue <div style="margin-left: 20px;"> <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory </div> </div> <div style="width: 33%;"> 5. Types of Local Government Units Affected <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> Towns <input type="checkbox"/> Counties <input type="checkbox"/> School Districts </div> <div style="width: 33%;"> <input type="checkbox"/> Village <input type="checkbox"/> Others <input type="checkbox"/> WTCS Districts </div> <div style="width: 33%;"> <input type="checkbox"/> Cities </div> </div> </div> </div>	
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Agency/Prepared By DOT/ Remi Aregbesola (608) 267-7392	Authorized Signature Julie Johnson (608) 267-3703
Date 8/31/2009	

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DOT 8/31/2009

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Assumptions Used in Arriving at Fiscal Estimate

Currently, purchasing staff in the agency include standard boilerplate language in the bidding process explaining the preference requirements for Minority Business Enterprise ("MBE") businesses. This would require drafting new language to include disabled veteran-owned businesses as well. The Disadvantaged Business Enterprise ("DBE") program is a federal program, and the agency does not have the discretion to add additional business qualifications to that program. The bill analysis does not state which preference takes precedent over the other. Overall, this bill would require some additional incidental workload for purchasing staff similar to the MBE program. The majority of workload issues would be handled by the Department of Administration.

Long-Range Fiscal Implications